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**Technology, Energy &  
Communications Committee**

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**HB 2401**

**Brief Description:** Developing regional compacts for siting transmission lines.

**Sponsors:** Representative Morris.

**Brief Summary of Bill**

- Establishes by compact a multistate electrical transmission siting council.
- Grants authority to the council to permit new electrical transmission lines that cross state boundaries.

**Hearing Date:** 1/10/06

**Staff:** Scott Richards (786-7156).

**Background:**

National Energy Policy Act of 2005

The National Energy Policy Act of 2005 (Act) was signed into law August 2005. Section 1221 of the National Energy Policy Act of 2005 authorizes the United States Secretary of Energy to conduct a study within one year of passage, and triennially thereafter, of electric transmission congestion. The Secretary will issue a report based on the study, which may designate any geographic area experiencing electric energy transmission capacity constraints or congestion that adversely affects consumers as a national interest energy electric transmission corridor.

In determining whether to designate a particular area as a national interest electric transmission corridor, the Secretary may consider the following:

- Whether the economic vitality and development of the corridor, or the end markets served by the corridor, may be constrained by lack of adequate or reasonably priced electricity;
- Whether economic growth in the corridor, or the end markets served by the corridor, may be jeopardized by reliance on limited sources of energy; and a diversification of supply is warranted;
- Whether the energy independence of the United States would be served by the designation;
- Whether the designation would be in the interest of national energy policy; and
- Whether the designation would enhance national defense and homeland security.

FERC's Backstop Authority

The Act authorizes the Federal Energy Regulatory Commission (FERC) to issue permits for construction or modification of electric transmission in a national interest transmission corridor if:

- A state does not have siting authority;
- A state does not consider interstate benefits;
- A state has withheld approval for more than one year after the filing of an application or one year after the designation as a national interest electric transmission corridor; or
- A state has conditioned its approval in such a manner that there will be no significant reduction of transmission congestion.

#### Interstate Compact

Section 1221 prohibits FERC from exerting backstop authority if three or more contiguous states enter into an interstate compact establishing a regional transmission siting agency. The creation of an interstate compact is subject to approval by the U.S. Congress.

The Act grants regional compact agencies the authority to facilitate siting of future electric energy transmission facilities with compact states and to carry out the electric energy transmission siting responsibilities of compact states. FERC retains authority to issue a permit for construction or modification of an electric transmission facility with a compact state, if members states are in disagreement and the DOE Secretary finds it an impediment to completing the work.

#### **Summary of Bill:**

##### Interstate Compact

A Multistate Electrical Transmission Siting Council (Council) made of at least three adjoining states, including Washington, is established. The Council coordinates and oversees the process of siting transmission lines that cross state borders as permitted by the national energy policy act of 2005.

The Council may review, certify and permit siting of transmission facilities, including facilities in national interest electric transmission corridors that are not owned by the United States government. Furthermore, the council:

- Specifies conditions of construction and operation;
- Issues permits in lieu of any other state or local agency authority; and
- Manages the environmental and safety oversight programs of transmission line operations.

##### Membership

The Council consists of a chair and councilmembers. The chair must be nominated by the councilmembers from amongst their membership, and be approved by the governors of each participating state. Councilmembers must be representatives for the following state agencies or their equivalent for each participating state:

- the Department of Ecology;
- the Department of Fish and Wildlife;
- the Department of Natural Resources;
- the Department of Community, Trade and Economic Development; and
- the Utilities and Transportation Commission.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/04/2006.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.